

**TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY**

**Minutes of  
REGULAR MEETING**

**August 26, 2010**

**7:30 PM**

**Call to Order**

The meeting was called to order by Mr. Bailey, Acting Chair, at 7:55 p.m.

**Attendance**

Members of the Agency (the “Members”) in attendance were:

Lamont R. Bailey  
Christopher A. Gioia  
Albert E. Handy

Members who were absent were:

Rodney A. Caines

Agency staff present consisted of:

Joseph Santamaria, Interim Executive Director  
Patrice P. Allen, Administrative Assistant  
Andrew M. Hyman, In-house Counsel

**Minutes of Meeting Held on July 15 and July 26, 2010**

Upon the motion of Mr. Handy, seconded by Mr. Gioia, the minutes of the meeting held on July 15, 2010 were unanimously adopted. Upon the motion of Mr. Handy, seconded by Mr. Gioia, the minutes of the special meeting held on July 26, 2010 were accepted with corrections.

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#### **Interim Executive Director's Report**

The Interim Executive Director's Report consisted of the following:

##### *Community Development Block Grant ("CDBG") Program*

The CDBG 36th Program Year application has been approved and the allocation made to the Agency is \$1,063,888. The Nassau County (the "County") Office of Community Development ("OCD") is awaiting final approval of the County Consortium's total allotment from the United States Department of Housing and Urban Development. In February of 2011 the Agency will start preparation for the 37th Program Year application process.

Mr. Santamaria suggested that the Members consider approving the CDBG 35<sup>th</sup> FY Administrative Budget (9/1/2010 - 8/31/2011) at the September or the October 2010 Members' Meeting. This is usually done at the January meeting after receiving the subrecipient contract from the County. However, with the onset of Authority Budget Office ("ABO") reporting required under the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009, the Agency must finalize an annual budget so as to submit it to ABO on or before November 1, 2010 as required.

##### *New Cassel Urban Renewal Plan*

*Site H (Pilot Project)* – Sandra Acosta, the principal for A & C Development Partners and New Cassel, LLC (the "Redeveloper"), the developer of Site H, is moving forward with restructuring the Redeveloper's construction loan. They are awaiting a closing date from Banco Popular. The closing date is expected to be towards the end of this month. The Redeveloper received the Agency's draft Grant Agreement for \$500,000, which is pending OCD's review and approval. They are also awaiting approval of proposed revisions to the offering plan for the Redevelopment from the New York State Attorney General's Office. Additionally, they are setting up an office in New Cassel to market the unsold residential units. Nu Cassel Pharmacy, Inc. (the "Pharmacy"), which has purchased and improved a commercial unit on the ground floor of Site H, was the subject of final inspections by the Town of North Hempstead Department of Building Safety, Inspection and Enforcement ("DOB"), which reported minor objections that will be resolved this week. Thereafter, the Pharmacy can schedule an inspection with the New York State Board of Pharmacy, who will approve their structure being suitable to store pharmaceuticals.

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*Site D* - The Bank Of New York Mellon (“BONY Mellon”) has not submitted the changes to the land disposition agreement for the eventual sale of the units. Outside counsel to the Agency will follow up.

*Site A* – The 57 apartments are 100% occupied. On the commercial space, with respect to a lease for a daycare center of 8,000 square feet, an application for variances was rejected by the Town of North Hempstead Board of Zoning Appeals (the “BZA”). Consequently, the day care center will seek another location. The dental office is open for business. A lease of 1,000 square feet for a beauty salon has been signed. The salon applied for and received permits. DOB inspected the completed work and identified minor items that need to be addressed. The salon should be open for business soon.

Paradise Love, a Caribbean restaurant, signed a lease for 1,800 square feet. It is seeking a variance. As with other tenants, the redeveloper, Bluestone, expects to split the cost of tenant improvements.

Bluestone continues to seek prospective tenants. A “big box” furniture retailer is expected to submit an application for a lease for commercial space shortly.

*Site B* - Work resumed in November 2009 and is slightly behind schedule. The contractor’s work is 51% complete, including retail interiors. Glass and storefronts have also been installed. Completion is expected in September 2010.

*Site C* -. The contractor’s work is 75% complete. The site is in receipt of the air handling units and installation will take place tomorrow. A variance under New York’s Uniform Fire Prevention and Building Code has been approved for the second floor hallway. Completion is expected in August 2010. Occupancy is scheduled for the fall of 2010.

A lottery is anticipated September/October 2010 pending marketing plan approvals from the New York State Housing Finance Agency. New Cassel residents will be given preference for fifty percent of the units. Unified New Cassel Community Revitalization Corporation (UNCCRC) will be playing an integral roll in the lottery process along with the redeveloper’s property manager, Wavcrest Management. Mr. Gioia proposed that an outside auditor monitor the lottery.

*Prospect Avenue Parking Area & 714 Prospect Avenue* – The Town Highway Department demolished the building at 714 Prospect Avenue, and is ready to start construction of the remainder of the parking lot.

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*Prospect Avenue Streetscape Redesign and Reconstruction* –Work on the south side has commenced on the eastern part of Prospect Avenue. All utility upgrades and most sidewalks are complete. Street medians and crosswalks will be installed next. Completion of all work is expected in December 2010.

*Community Center* – The construction contract was awarded to Racanelli Construction, Inc. of Melville, N.Y. The base contract amount is \$20,000,899. Sixteen (16) bids were received, the highest being \$29,975,000. The Town anticipates the start of construction in the fall of this year.

#### *Operations:*

Copies of the chart of accounts balance's from OCD, Monthly Bank Statements and the Agency's reconciliation were given to the Members for review.

#### *Cash Balances:*

- Citibank –Lump Sum Account - \$387,548.31
- State Bank of Long Island - Program Income Account - \$827,712.66
- Citibank –Escrow Account - \$50,901.95

Upon the motion of Mr. Handy, duly seconded by Mr. Gioia, the Interim Executive Director's Report was accepted and approved unanimously.

#### **For Consideration**

The Board considered the following resolutions:

*A RESOLUTION APPROVING THE ASSIGNMENT AND ASSUMPTION OF A MORTGAGE LIEN SECURING A LOAN IN THE SUM OF \$16,600.00 MADE TO EMPLOY SILAS REGARDING PREMISES LOCATED AT 181 SWALM STREET, WESTBURY, NEW YORK*

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Upon the motion of Mr. Handy, duly seconded by Mr. Gioia, consideration of this resolution was tabled.

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**RESOLUTION NO. 35 (2010)**

**A RESOLUTION AUTHORIZING THE COMMENCEMENT OF AN ACTION TO FORECLOSE ON A MORTGAGE LIEN SECURING A LOAN IN THE SUM OF \$13,534.00 MADE TO ANITA BROWN REGARDING PREMISES LOCATED AT 192 KINKEL STREET WESTBURY, NEW YORK 11590.**

**WHEREAS**, the Town of North Hempstead Community Development Agency (the “Agency”) has accepted delivery of a note and mortgage, dated November 28, 1990 (the “Loan Documents No. 1”) for the borrowing of up to \$6,404 (“Loan No. 1”) and another note and mortgage, dated September 24, 1992 (“Loan Documents No. 2”), for the borrowing of up to \$7,130 (“Loan No. 2”) from Anita Brown (the “Borrower”), 192 Kinkel Street, New Cassel/Westbury, New York, identified on the Nassau County Land and Tax Map as Section 11, Block 29, Lot 20 (the “Premises”), to remedy deteriorated conditions with respect to the Premises (the “Project”); and

**WHEREAS**, Loan Documents No. 1 and 2 are hereinafter referred to as the “Loan Documents”, and Loan No. 1 and Loan No. 2 are hereinafter referred to as the “Loans”; and

**WHEREAS**, the Agency has advanced \$13,534 to the Borrower pursuant to the Loan Documents (the “Outstanding Principal Balance”); and

**WHEREAS**, pursuant to the Loan Documents, the Outstanding Principal Balance is due and payable upon the death of the Borrower; and

**WHEREAS**, the Borrower has passed away, and Borrower’s next of kin have been unresponsive to Agency staff’s demand for payment of the Outstanding Principal Balance and related efforts to contact them and resolve matters involving the Loans; and

**WHEREAS**, Agency staff has recommended that the members of the Agency authorize the commencement of a foreclosure action against the Premises under the Loan Documents to recover the Outstanding Principal Balance, and such other amounts as may be due thereunder (the “Staff Recommendation”); and

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**WHEREAS**, the Members wish to authorize and adopt the Staff Recommendation.

**NOW THEREFORE, BE IT**

**RESOLVED**, that the Members hereby authorize and adopt the Staff Recommendation; and be it further

**RESOLVED**, that the Interim Executive Director of the Agency and any officer thereof are hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

Upon the resolution of Mr. Handy, duly seconded by Mr. Gioia, the resolution was unanimously adopted.

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**RESOLUTION NO. 36 (2010)**

**A RESOLUTION RATIFYING THE COMMENCEMENT OF AN ACTION TO FORECLOSE ON A MORTGAGE LIEN SECURING A LOAN IN THE SUM OF \$20,000.00 MADE TO NANCY DACUS REGARDING PREMISES LOCATED AT 270 GRAND STREET WESTBURY, NEW YORK 11590.**

**WHEREAS**, the Town of North Hempstead Community Development Agency (the "Agency") has accepted delivery of a note and mortgage, dated July 28, 1992 (the "Loan Documents") for the borrowing of up to \$20,000 (the "Loan") from Nancy Dacus (the "Borrower"), 270 Grand Street, New Cassel/Westbury, New York, identified on the Nassau County Land and Tax Map as Section 11, Block 503, Lot 5 (the "Premises"), to remedy deteriorated conditions with respect to the Premises (the "Project"); and

**WHEREAS**, the Agency has advanced \$20,000 to the Borrower pursuant to the Loan Documents (the "Outstanding Principal Balance"); and

**WHEREAS**, pursuant to the Loan Documents, the Outstanding Principal Balance is due and payable upon the transfer of the Premises; and

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**WHEREAS**, on August 23, 2004, title to the Premises was transferred to Stephanie Dacus; and

**WHEREAS**, to avoid expiration of the statute of limitations pursuant to Civil Practice Law and Rules §213, Agency staff arranged for the commencement of a foreclosure action against the Premises under the Loan Documents to recover the Outstanding Principal Balance, and such other amounts as may be due thereunder (the "Foreclosure Action"); and

**WHEREAS**, Agency staff has recommended that the members of the Agency ratify the commencement of the Foreclosure Action (the "Staff Recommendation"); and

**WHEREAS**, the Members wish to authorize and adopt the Staff Recommendation.

**NOW THEREFORE, BE IT**

**RESOLVED**, that the Members hereby authorize and adopt the Staff Recommendation; and be it further

**RESOLVED**, that the Interim Executive Director of the Agency and any officer thereof are hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

Upon the resolution of Mr. Handy, duly seconded by Mr. Gioia, the resolution was unanimously adopted.

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**RESOLUTION NO. 37 (2010)**

**A RESOLUTION FINDING THAT A RESIDENTIAL REHABILITATION  
LOAN OF \$6,404.00 IS UNCOLLECTIBLE.**

**WHEREAS**, the Town of North Hempstead Community Development Agency (the "Agency"), has accepted a note and mortgage, dated as of September 16, 1988, for the borrowing of up to \$6,404 (the "Loan") from Eleanor Espisito (the "Borrower") 106 Maple Drive, New Hyde Park, New York, identified on the Nassau County Land and Tax Map as Section 8, Block 218, Lot 177 (the "Premises"), to remedy deteriorated conditions with respect to the Premises (the "Project"); and

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**WHEREAS**, the Agency has advanced \$6,404 to the Borrower pursuant to the Loan Documents (the “Outstanding Principal Balance”); and

**WHEREAS**, pursuant to the Loan Documents, the Outstanding Principal Balance is due and payable upon the transfer of the Premises; and

**WHEREAS**, on May 19, 1994, title to the Premises was transferred to Lenore Killian and Edward Mauceri; and

**WHEREAS**, the six (6) year statute of limitations pursuant to Civil Practice Law and Rules §213 in which to commence an action under the Loan Documents has expired; and

**WHEREAS**, Agency staff has recommended that the Members of the Agency (the “Members”) determine that the Loan is uncollectible, and should no longer appear as an asset among the financial records of the Agency (the “Staff Recommendation”); and

**WHEREAS**, the Members wish to authorize and approve the Staff Recommendation.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that the Members hereby authorize and approve the Staff Recommendation; and be it further

**RESOLVED**, that the Interim Executive Director of the Agency and any other officer thereof is hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

Upon the resolution of Mr. Handy, duly seconded by Mr. Gioia, the resolution was unanimously adopted.

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**RESOLUTION NO. 38 (2010)**

**A RESOLUTION FINDING THAT A RESIDENTIAL REHABILITATION  
LOAN OF \$3,131.00 IS UNCOLLECTIBLE.**

**WHEREAS**, the Town of North Hempstead Community Development Agency (the “Agency”), has accepted a note and mortgage, dated as of June 30, 1988, for the borrowing of up to \$3,131 (the “Loan”) from Joseph Tufaro (the “Borrower”) 44 Pilgrim, New Hyde Park, New York, identified on the Nassau County Land and Tax Map as Section 8, Block 329, Lot 3 (the “Premises”), to remedy deteriorated conditions with respect to the Premises (the “Project”); and

**WHEREAS**, the Agency has advanced \$3,131 to the Borrower pursuant to the Loan Documents (the “Outstanding Principal Balance”); and

**WHEREAS**, pursuant to the Loan Documents, the Outstanding Principal Balance is due and payable upon the transfer of the Premises; and

**WHEREAS**, the Borrower and Borrower’s spouse has passed away, and the daughter, who continues to reside at the Premises, has asked to accept an assignment and assumption of the rights and obligations under the Loan Documents (the “Assignment”); and

**WHEREAS**, although the members of the Agency (the “Members”) have approved the Assignment, title matters concerning the Premises have made it too difficult to effectuate; and

**WHEREAS**, Agency staff has recommended that the Members of the Agency (the “Members”) determine that the Loan is uncollectible, and should no longer appear as an asset among the financial records of the Agency (the “Staff Recommendation”); and

**WHEREAS**, the Members wish to authorize and approve the Staff Recommendation.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that the Members hereby authorize and approve the Staff Recommendation; and be it further

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**RESOLVED**, that the Interim Executive Director of the Agency and any other officer thereof is hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

Upon the resolution of Mr. Handy, duly seconded by Mr. Gioia, the resolution was unanimously adopted.

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**RESOLUTION NO. 39 (2010)**

**A RESOLUTION APPROVING THE TRANSFER OF \$2 FROM THE AGENCY'S PETTY CASH ACCOUNT TO ITS LUMP SUM ACCOUNT AND ESTABLISHING A PETTY CASH ACCOUNT IN THE MAXIMUM SUM OF \$200.**

**WHEREAS**, the Town of North Hempstead Community Development Agency's accountant, Michele C. Yen, President of the Galamery Company, Inc. has recommended that, for the economical day to day cash operations of the Agency, the members of the Agency (the "Members") authorize the transfer of \$2 from the Agency's Petty Cash Fund or Account (the "Petty Cash Account"), and establish a Petty Cash Account in imprest amount of \$200 (the "Recommendation"); and

**WHEREAS**, the Members wish to authorize and approve the Staff Recommendation.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that the Members hereby authorize and approve the Staff Recommendation; and be it further

**RESOLVED**, that the Interim Executive Director of the Agency and any other officer thereof is hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

Upon the resolution of Mr. Handy, duly seconded by Mr. Gioia, the resolution was unanimously adopted.

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**RESOLUTION NO. 40 (2010)**

**A RESOLUTION AUTHORIZING THE EXECUTION OF AN ON-LINE  
BANKING AGREEMENT AND A WIRE TRANSFER AGREEMENT  
WITH STATE BANK OF LONG ISLAND.**

**WHEREAS**, staff of the Town of North Hempstead Community Development Agency wishes to secure on-line banking services and wire transfer services from State Bank of Long Island, requiring the execution of agreements for same (the “Staff Recommendation”) and

**WHEREAS**, the Members wish to authorize and approve the Staff Recommendation.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that the Members hereby authorize and approve the Staff Recommendation; and be it further

**RESOLVED**, that the Interim Executive Director of the Agency and any other officer thereof is hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

Upon the resolution of Mr. Handy , duly seconded by Mr. Gioia, the resolution was unanimously adopted.

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**Executive Session**

Upon the motion of Mr. Handt, duly seconded by Mr. Gioia, the Members adjourned at 9:15 to Executive Session to discuss a litigation matter involving the Agency.

**Resumption of Public Session**

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The members of the Agency adjourned their Executive Session and resumed the public session of the meeting, and considered the following resolution:

**RESOLUTION NO. 41 (2010)**

**A RESOLUTION DENYING ADDITIONAL SALARY AND AUTHORIZING AN EXTENSION OF MEDICAL INSURANCE BENEFITS.**

**WHEREAS**, by Resolution No. 30 (2010), duly adopted at its meeting duly held on July 26, 2010 (the “Authorizing Resolution”), the members (the “Members”) of the Town of North Hempstead Community Development Agency (the “Agency”) in response to the indictment of Neville G. Mullings, the Agency’s Executive Director, by the Grand Jury of Nassau County (the “Indictment”), suspended Mr. Mullings from his position with the Agency with salary and benefits for thirty (30) days (the “30-Day Period”), and among other things, directed him to arrange to appear before a representative of the Members (the “Representative”) within thirty (30) days thereafter to respond to questions concerning the Indictment and defend and explain his actions in connection therewith, in a manner satisfactory to the Members (the “Appearance”); and

**WHEREAS**, the Authorizing Resolution further provided that, if Mr. Mullings failed to arrange or make the Appearance as required thereunder, then payment of his salary and the providing of benefits would be discontinued; and

**WHEREAS**, by letter from his attorney, Frederick K. Brewington, Esq. of the Law Offices of Frederick K. Brewington, dated as of August 3, 2010, Mr. Mullings respectfully declined to schedule and make the appearance, and requested that the Members authorize that his salary and benefits be continued until such time as matters surrounding the Indictment were concluded (the “Response”); and

**WHEREAS**, the Members wish reply to the Response.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that the Members hereby decline to continue to pay Mr. Mullings’s salary upon the expiration of the 30-Day Period; and be it further

**RESOLVED**, that the Members hereby agree to continue Mr. Mullings’s participation in the Agency’s health insurance plan (the “Insurance Plan Participation”) for a period of six (6)

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months following expiration of the Period (the “Semi-Annual Period”), at which time the Members may reconsider their decision to continue Insurance Plan Participation, provided however, that if Mr. Mullings either is found guilty or pleads guilty to any or all of the charges set forth in the Indictment (the “Charges”), Insurance Plan Participation will be terminated as soon as practicable, and provided further, however, that if Mr. Mullings is found innocent of the Charges or the Charges are dismissed during the Semi-Annual Period, then Insurance Plan Participation shall be resumed pending Member consideration of Mr. Mullings’s reinstatement as Executive Director.

Upon the motion of Mr. Gioia, seconded by Mr. Handy, the motion was unanimously adopted.

#### **Adjournment**

Upon the motion of Mr. Gioia, seconded by Mr. Handy, the Members of the Agency, by unanimous vote, adjourned the meeting at 9:25 p.m.